US LNG Supply into Europe

Baltic Energy Summit, Vilnius
November 25th, 2015
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Forward Looking Statements

This presentation contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1933, as amended. All statements, other than statements of historical facts, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things:

- Statements that we expect to commence or complete construction of a liquefaction facility by certain dates, or at all;
- Statements that we expect to receive authorization from the Federal Energy Regulatory Commission, or FERC, or the Department of Energy, or DOE to construct and operate a proposed liquefaction facility by a certain date, or at all;
- Statements regarding future levels of domestic or foreign natural gas production and consumption, or the future level of LNG imports into North America or exports from the U.S., or regarding projected future capacity of liquefaction or regasification facilities worldwide;
- Statements regarding any financing transactions or arrangements, whether on the part of Cheniere or at the project level;
- Statements regarding any commercial arrangements marketed or potential arrangements to be performed in the future, including any cash distributions and revenues anticipated to be received;
- Statements regarding the commercial terms and potential revenues from activities described in this presentation;
- Statements that our proposed liquefaction facility, when completed, will have certain characteristics, including a number of trains;
- Statements regarding our business strategy, our business plan or any other plans, forecasts, examples, models, forecasts or objectives: any or all of which are subject to change;
- Statements regarding estimated corporate overhead expenses; and
- Any other statements that relate to non-historical information.

These forward-looking statements are often identified by the use of terms and phrases such as "achieve," "anticipate," "believe," "estimate," "example," "expect," "forecast," "opportunities," "plan," "potential," "project," "propose," "subject to," and similar terms and phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in "Risk Factors" in the Cheniere Energy, Inc. and Cheniere Energy Partners, L.P. Current Reports on Form 8-K filed with the Securities and Exchange Commission, which are incorporated by reference into this presentation. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these "Risk Factors". These forward-looking statements are made as of the date of this presentation, and we undertake no obligation to publicly update or revise any forward-looking statements.

Agenda

- Introduction to Cheniere
- US Unconventional Gas
- US LNG Exports
- Evolving Global LNG Trade
- Impact on Europe

Cheniere LNG Platform

30 MT under Construction
60 MT total under development

Sabine Pass Liquefaction

- 6 train development – 27 mtpa (~3.8 Bcf/d in export capacity)
- Trains 1-5 are under construction; First LNG expected in late 2015
- Train 6 under development, FID expected 2015

Live Oak LNG

- 2 train development – 5.2 mtpa
- (~0.7Bcf/d)
- First LNG targeted in late 2021

Louisiana LNG

- 2 train development – 5.2 mtpa
- (~0.7Bcf/d)
- First LNG targeted in late 2021

Corpus Christi Liquefaction

- 5 train development – 22.5 mtpa (~3.2 Bcf/d in export capacity)
- Trains 1-2 are under construction; First LNG expected 2018
- Train 3 under development; FID expected 2015
- Trains 4-5 under development; Permitting process initiated June 2015

Under Construction

Proposed

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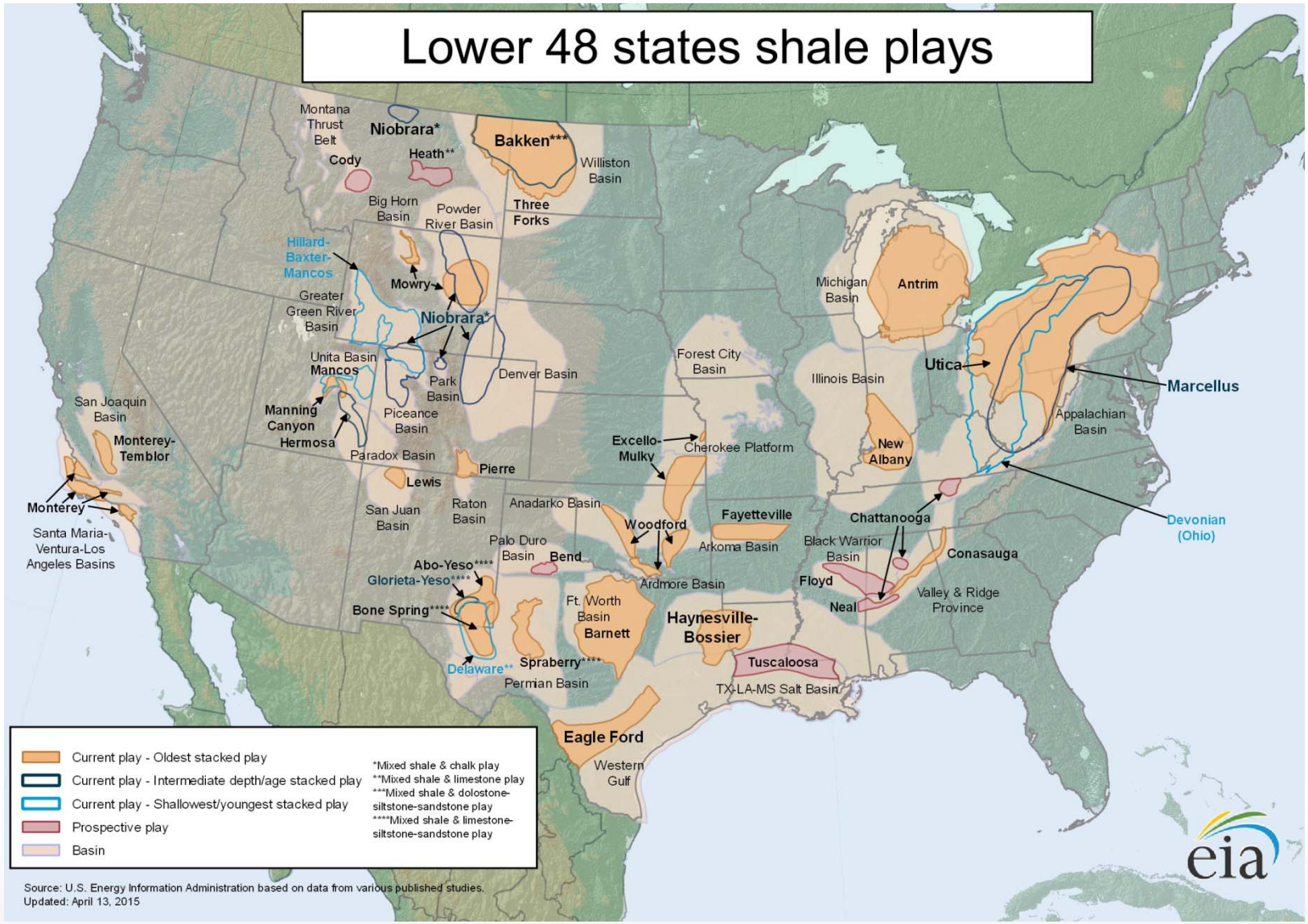
U.S. Shale Plays



Source: EIA

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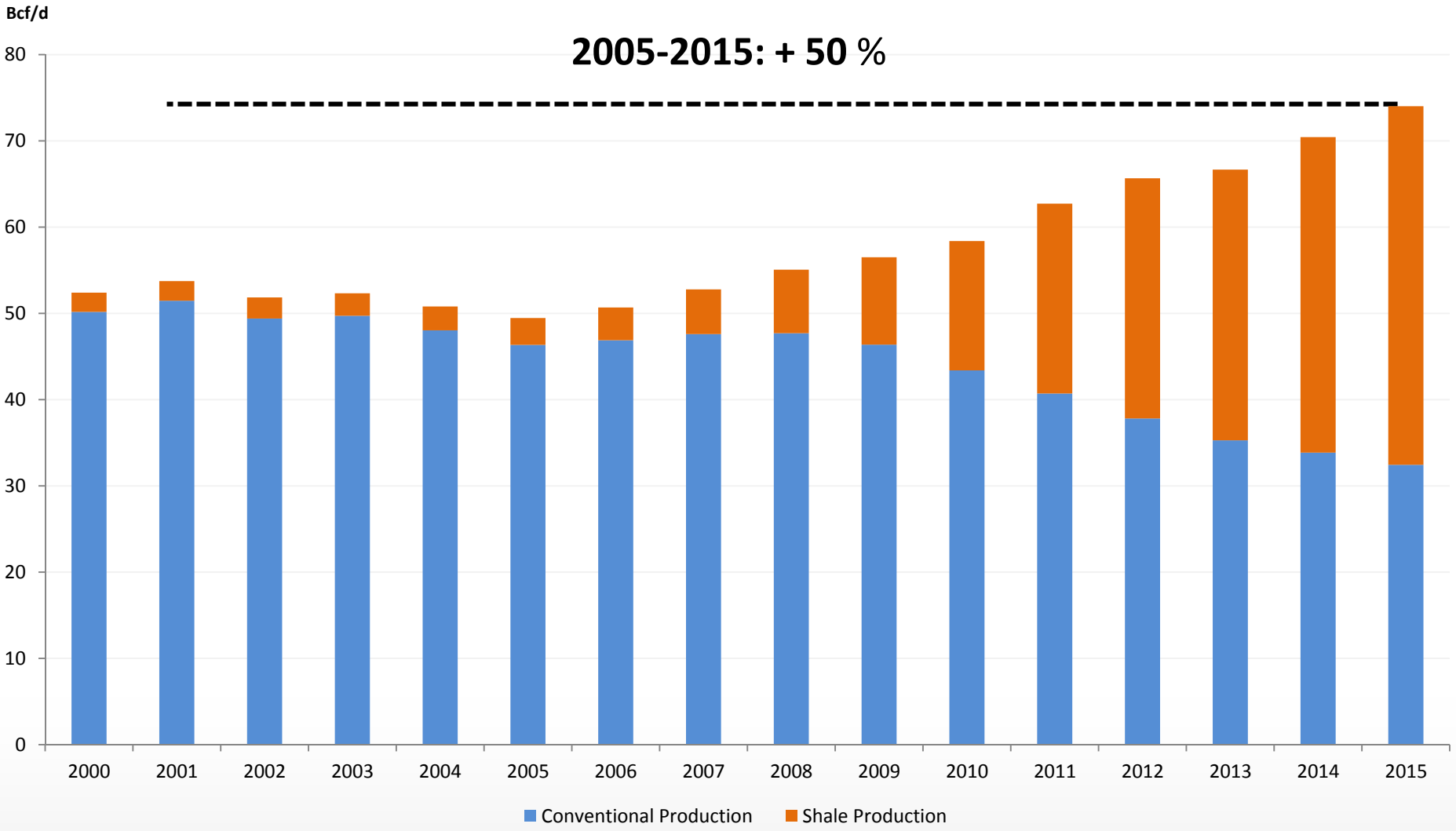
Shale Revolution Reversed Trend in U.S. Gas Supply

U.S. Dry Gas Production



Source: EIA

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U.S. Stands Alone as Unconventional Hydrocarbon Producer

Abundant Reserves Are Necessary But Insufficient For U.S.-Style Revolution

Europe

2011:
- At least 7 IOCs in Poland, 120 test wells planned per year

2014:
- COP only remaining major in Poland

Argentina

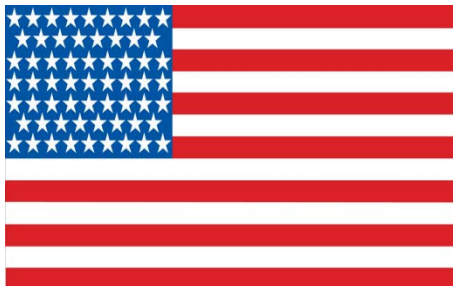
2011:
- Halliburton completes first Argentine shale well for Apache

2014:
- YPF/Chevron producing 20 kbd of tight oil

China

2011:
- NDRC targets 10 Bcf/d production by 2020

2014:
- China produces 0.25 Bcf/d in 2014
- NDRC halves shale gas target
- Shell shifts focus from shale to offshore



United States of America

2011:
- 23% of wells are shale wells

2014:
- 90% of new wells are unc. wells

World's #1 natural gas producer
World's #1 liquids producer

Technically Recoverable Shale Gas Resources (Tcf)		Total Shale Wells Drilled as of June 2014
U.S.	1,161	>100,000
China	1,115	>200
Argentina	802	>200
Algeria	707	0
Canada	573	>20,000
Mexico	545	<20
Australia	437	~40
S. Africa	390	0
Russia	285	0
Brazil	245	0

Enabling Factors:	Mineral Rights	Innovation	Supply Chain/Services	Capital Formation	Pipeline Infrastructure	Water Resources	Public Perception	Regulatory Framework
U.S.	✓	✓	✓	✓	✓	✓	✓	✓
China	X	X	X	✓	X	X	X	✓
Argentina	X	X	X	X	✓	✓	✓	X
Europe	X	X	X	X	✓	✓	X	X

Source: ARI, Accenture, CAPP, Baker Hughes, API, Cheniere Research

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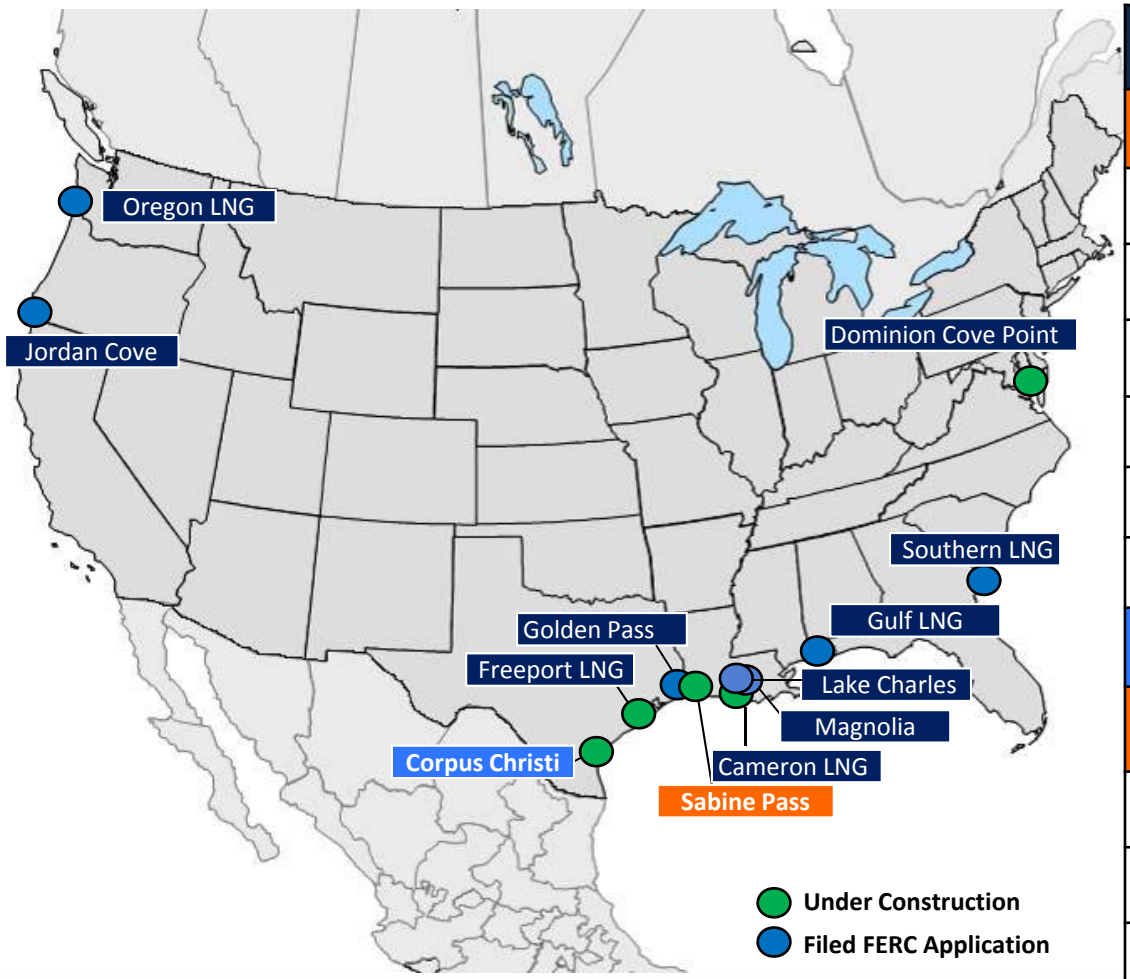
U.S. LNG Export Projects



Company	Quantity (Bcf/d)	DOE	*FERC* *	Contracts
Cheniere Sabine Pass T1 – T4	2.2	Fully permitted		Fully Subscribed
Freeport	1.8	Fully permitted		Fully Subscribed
Lake Charles	2.0	FTA + NonFTA	✓	Fully Subscribed
Dominion Cove Point	1.0	Fully permitted		Fully Subscribed
Cameron LNG	1.7	Fully permitted		Fully Subscribed
Jordan Cove	1.2/0.8	FTA + NonFTA	✓	
Oregon LNG	1.25	FTA + NonFTA	✓	
Cheniere Corpus Christi T1 – T3	2.1	Fully permitted		Partially Subscribed
Cheniere Sabine Pass T5 – T6	1.3	Fully permitted		T5 Subscribed
Southern LNG	0.5	FTA	❖	Fully Subscribed
Magnolia LNG	0.5	FTA	✓	Partially Subscribed
Golden Pass LNG	2	FTA	✓	Fully Subscribed
Gulf LNG	1.3	FTA	❖	

Plus other proposed LNG export projects that have not filed a FERC application. Excelerate has requested that FERC put on hold the review its application.

- Application filing = ❖
- FERC scheduling notice issued = ✓

Source: Office of Oil and Gas Global Security and Supply, Office of Fossil Energy, U.S. Department of Energy; U.S. Federal Energy Regulatory Commission; Company releases

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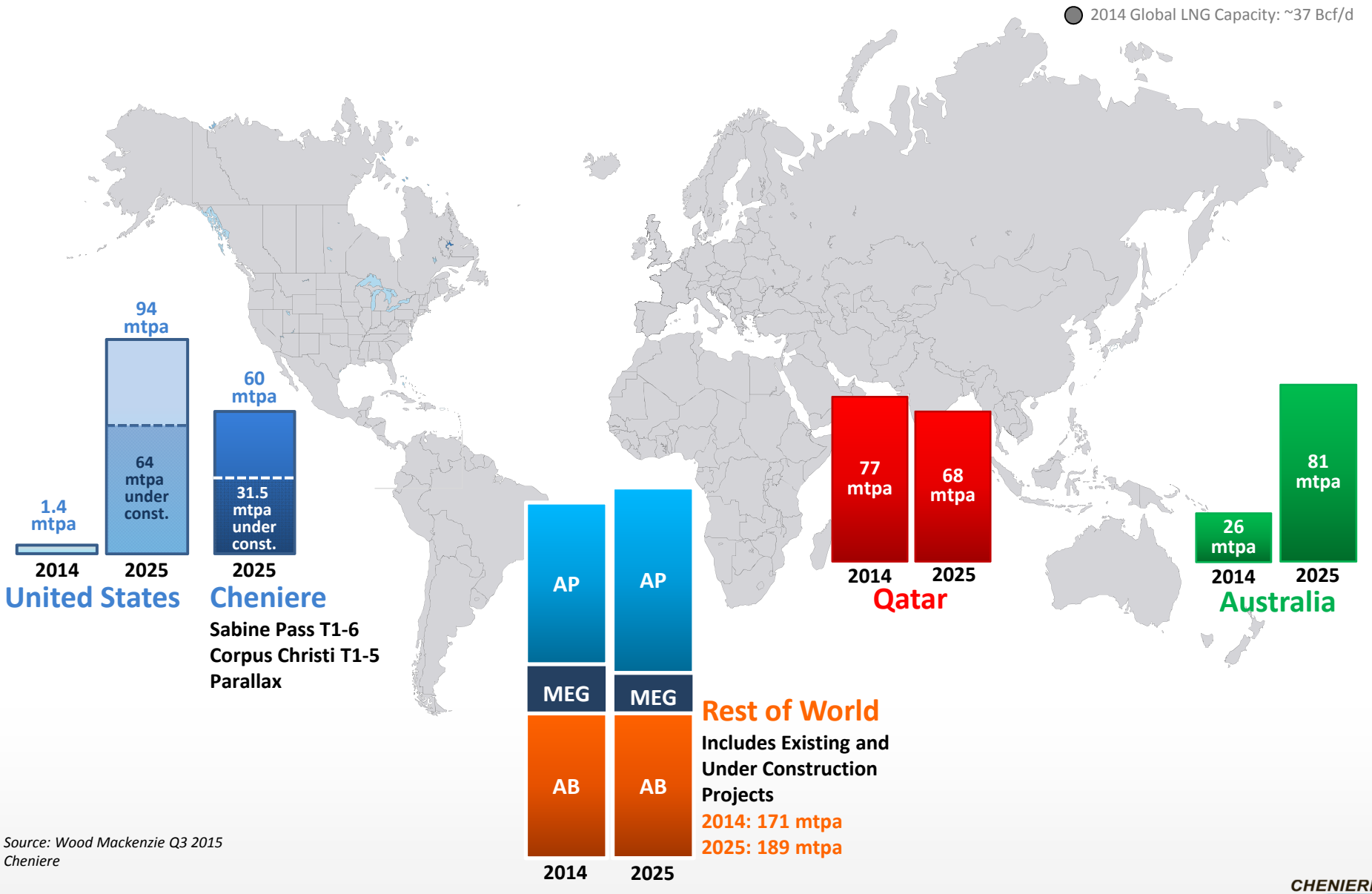
U.S. To Become One of the Top Three LNG Suppliers

Projected LNG Capacity



Source: Wood Mackenzie Q3 2015
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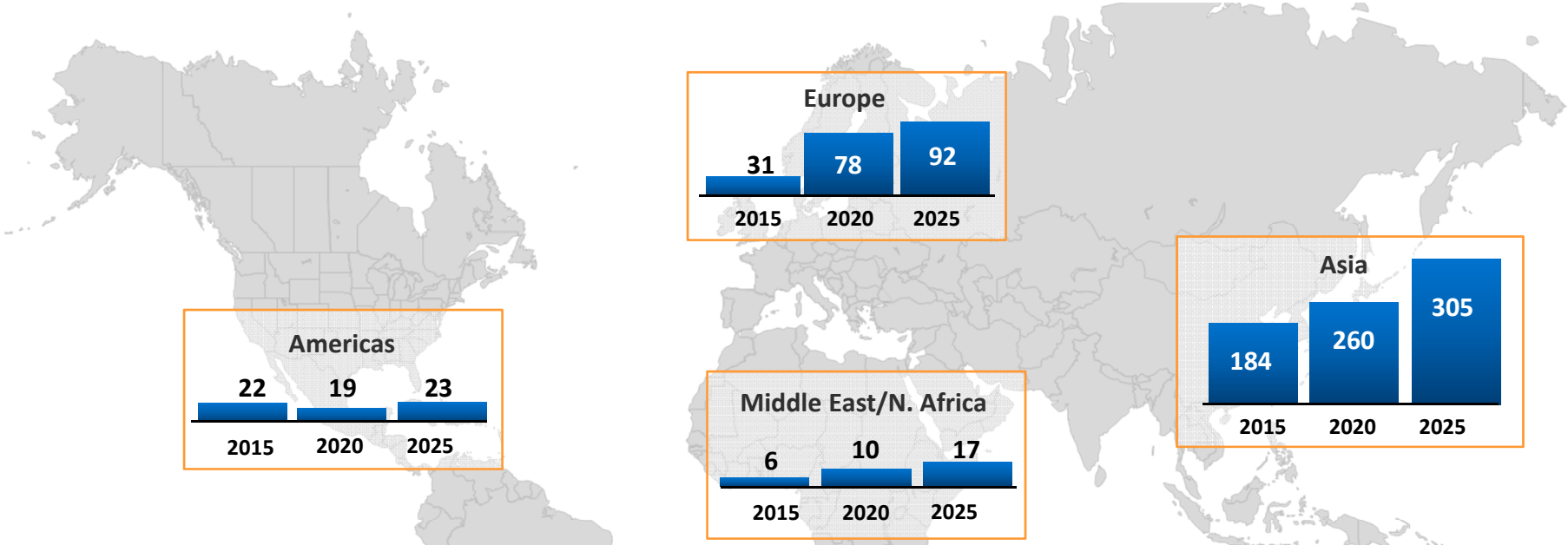
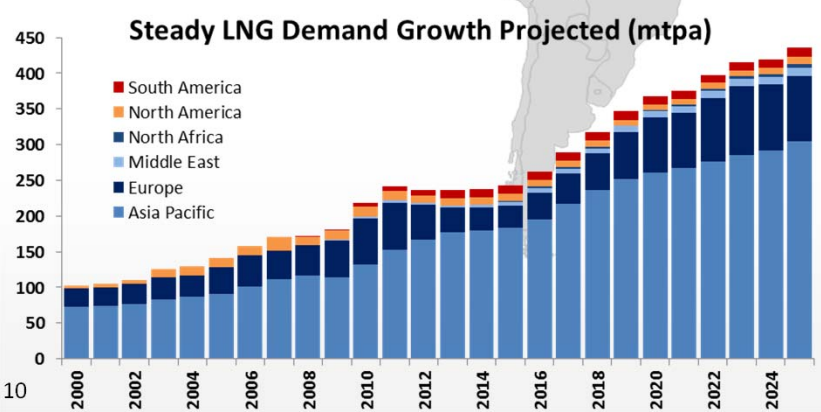
Projected Global LNG Demand 436 mtpa by 2025

Demand forecasted to increase by 193 mtpa to 2025, a 6% CAGR
Average of 23 mtpa of new liquefaction capacity needed each year(1)





Source: Wood Mackenzie
Q3 2015 LNG Tool
(1) Assumes 85% utilization of nameplate capacity

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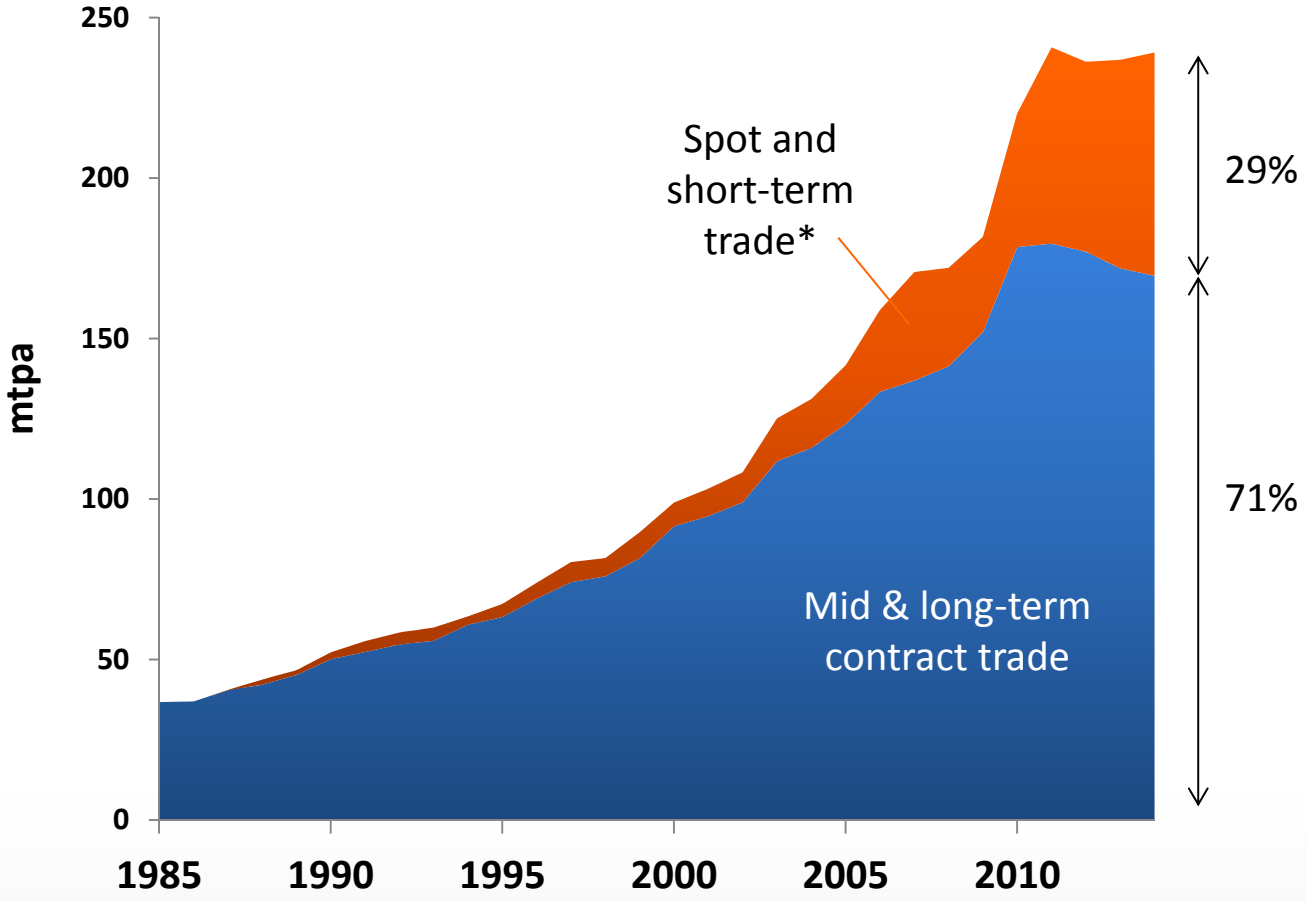
LNG Trade Today – A Snapshot

- 50 years old
- 240 mt (32 bcf/d)
- 19 exporting countries
- 31 importing countries
- ~400 ships
- 10% of all gas consumed worldwide
- 30% of internationally traded gas

Source: BP Statistical Review of World Energy 2015, Cheniere interpretation of Wood Mackenzie data (Q3 2015)

LNG: Changing Trade Characteristics

LNG trade by contract length



Over the past decade;

- **Significant growth in flexible volumes**
  - Supply tenders
  - Back-stop markets
  - Re-loads
  - Portfolio players / aggregators
  - Traders
- **Growing cargo diversions**
- **Increasing competition between markets**

Source: Poten and Partners (2001), GIIGNL (2015)
** Contract duration of 4 years or less (GIIGNL)*

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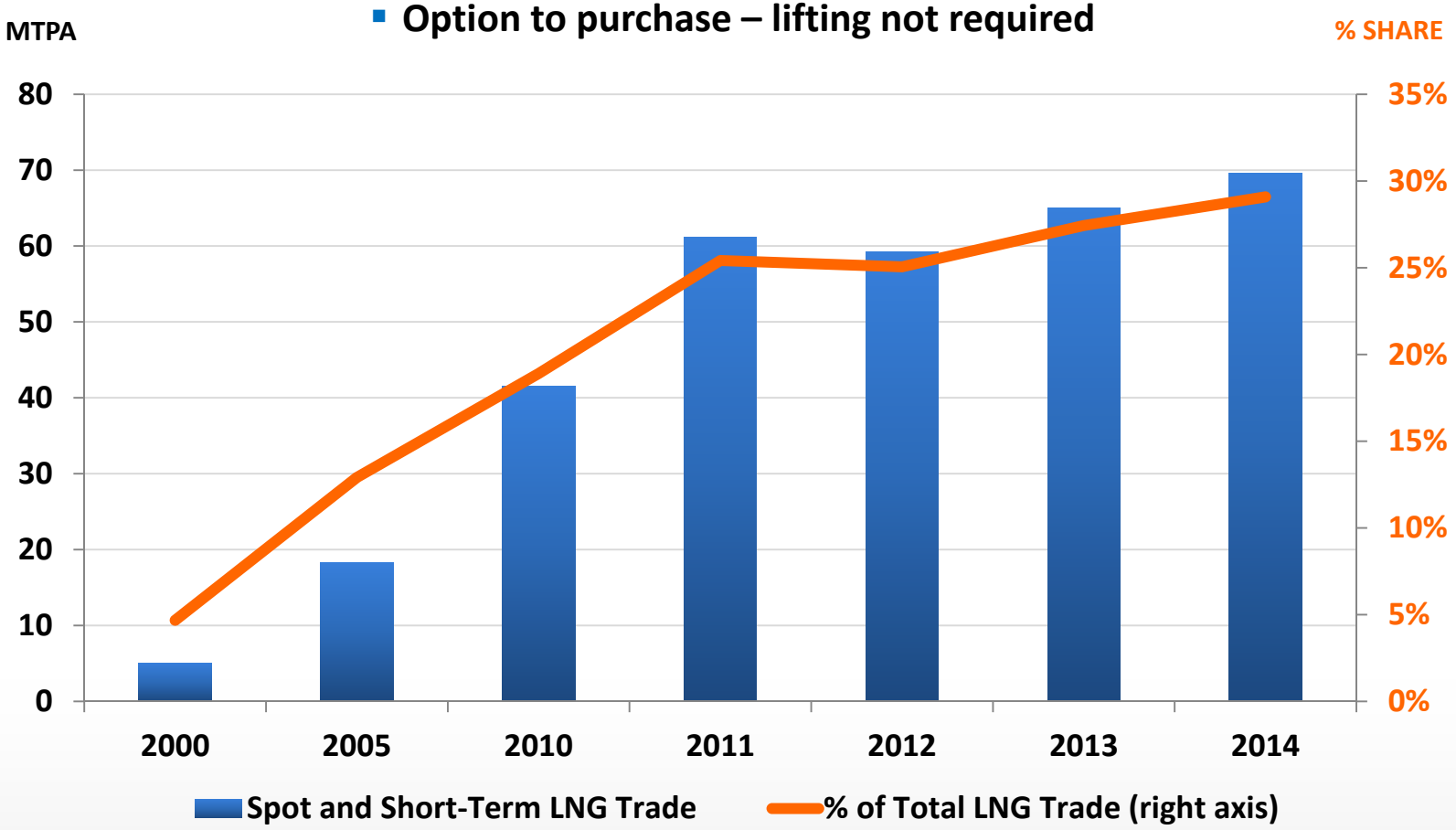
Non Long-Term LNG Trade Increasing

U.S. Supplies to Create More Market Liquidity

- Flexible destination clauses
- New pricing index – Henry Hub
- Option to purchase – lifting not required



Source: GIIGNL 2015

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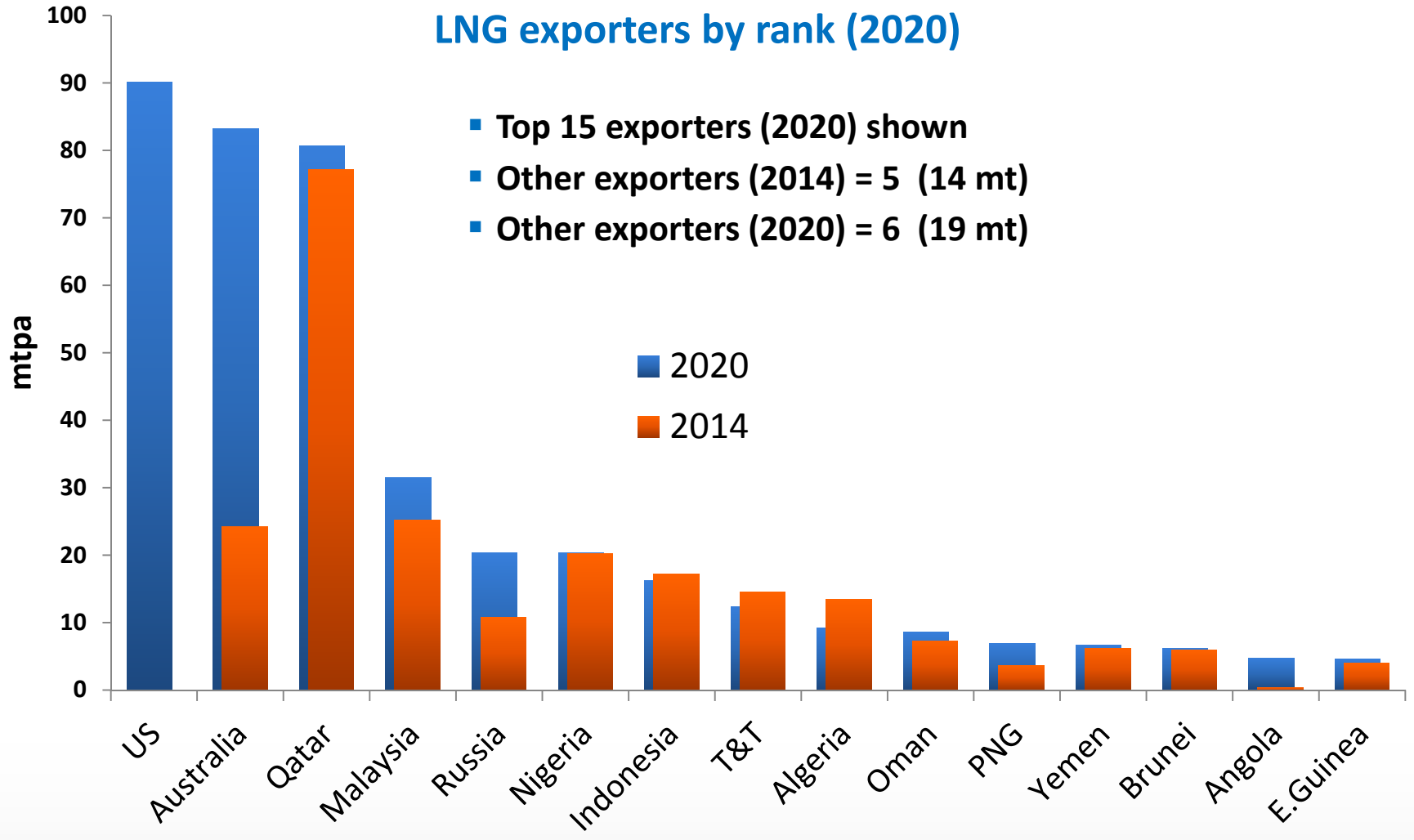
LNG Exporters (2020)



Source: Cheniere interpretation of Wood Mackenzie data (Q3 2015)

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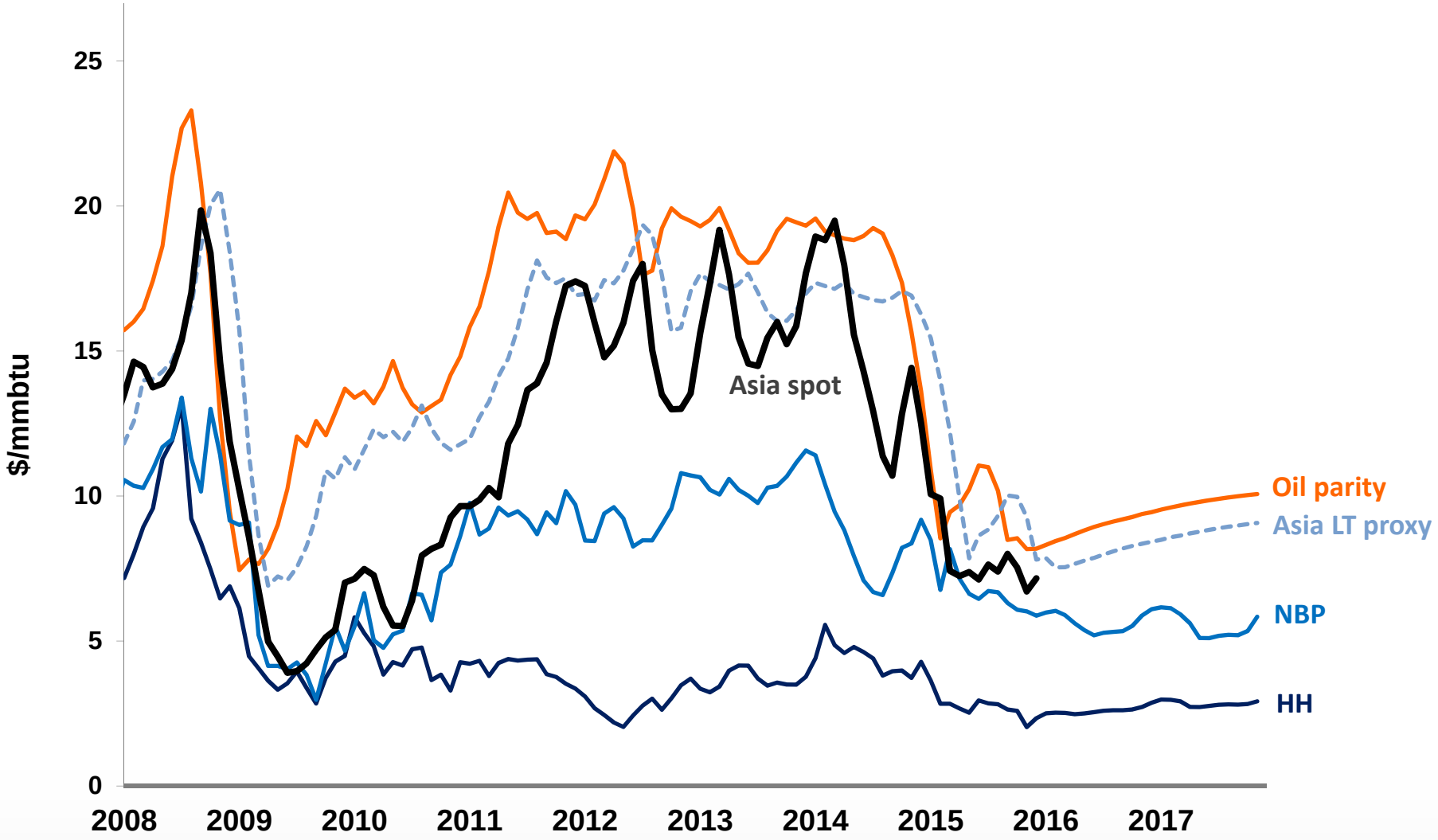
Gas and LNG Prices (2008 – 2016)



Source: Platts, Heren, Petroleum Association of Japan and Bloomberg (May 2015)
Note: Asia long-term proxy = 14.85% JCC(-3) + 0.50
Oil parity = JCC = Japanese average crude price

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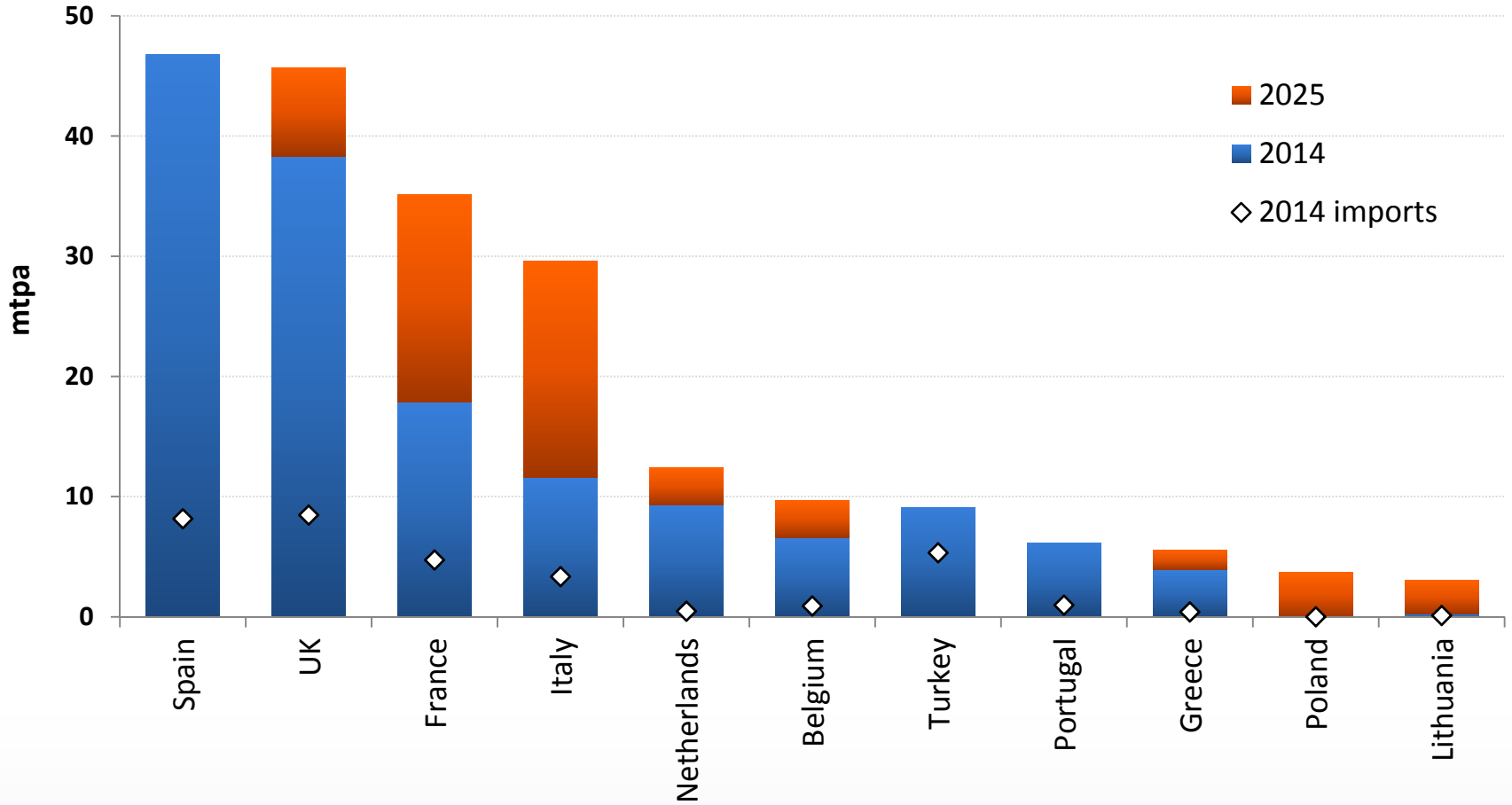
U.S. Can Deliver Gas Profitably…

Delivered Price To: (MMBtu)	Europe	Asia
Gas	**$3.00**	**$3.00**
Transportation	**1.00**	**2.50**
Regasification	**0.40**	**0.00**
Total Cost	**$4.40**	**$5.50**
Landed Price	$6.00 (TTF)	$7.40 (JKM)
Margin	$1.60	$1.90

- **Construction costs in the U.S. are between $600-$800/tonne**
- **At $600/tonne of construction cost, $2.00 is a 16% return on capital**
- **US prices market oriented**
- **High flexibility (no TOP, no destination clause)**

European LNG Import Capacity

European LNG import capacity* versus LNG imports (2014)



Source: Regas capacity : Wood Mackenzie (Q3 2015) (Existing and Under construction)
2014 imports - IHS Waterborne data (2015), delivered volumes
**Turkey included as regional importer*

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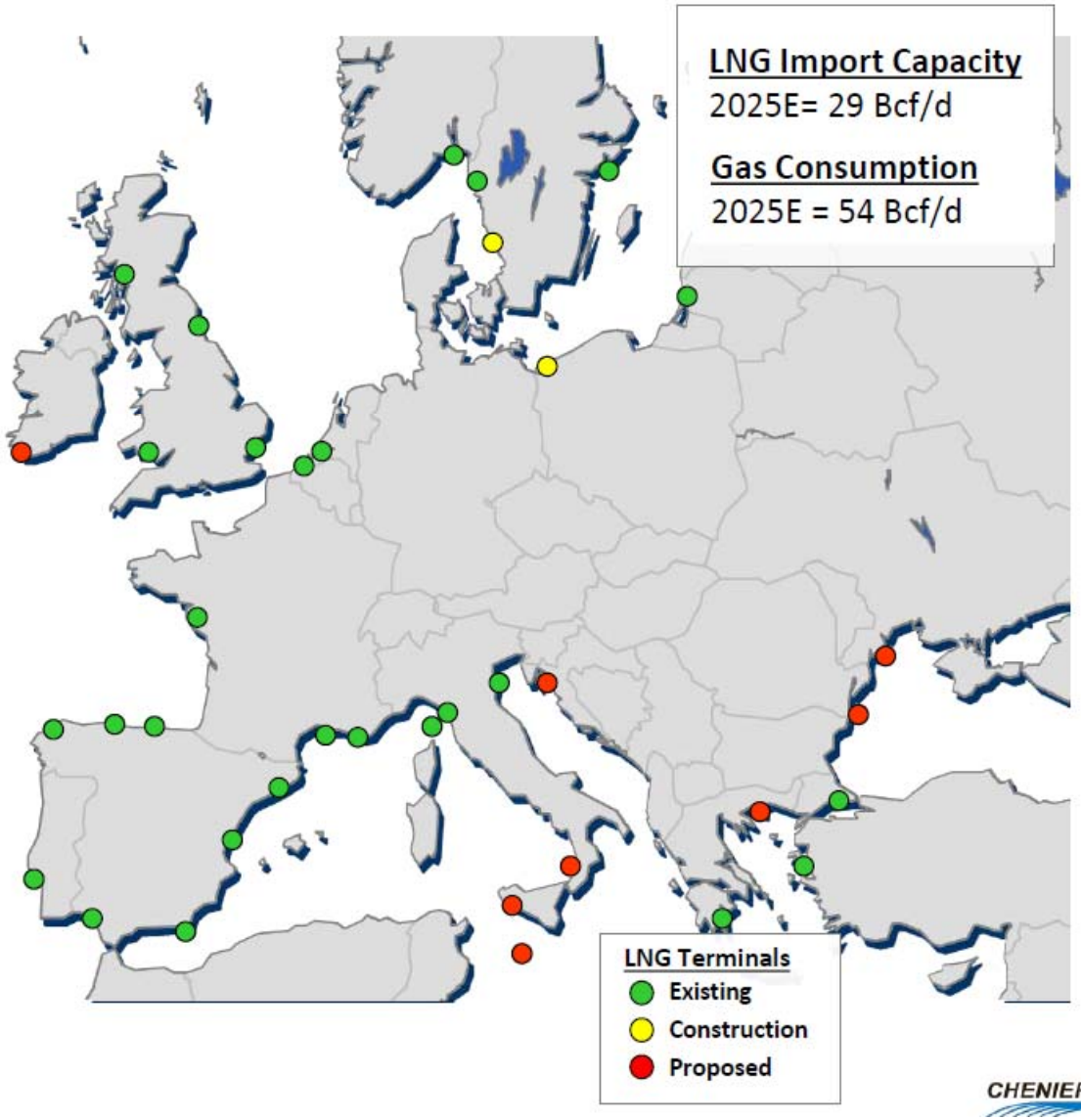
Cheniere Energy Global Customers

Supply Purchase Agreements

Cheniere Well-Positioned to Supply European Markets

Estimated gas demand of ~54 Bcf/d by 2025

- **Cheniere's low cost LNG platform can provide low cost LNG supply to European markets**
- **Offering purchasing and destination flexibility; supply diversity**
- **Gas-to-power solutions; develop downstream markets**



Sources: IEA (2014) Wood Mackenzie (2015)

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Cheniere: A Key LNG Supplier to Europe

- **With its LT contracts with Gas Natural Fenosa, Iberdrola, Endesa, Cheniere will supply 30% of the Spanish Market**

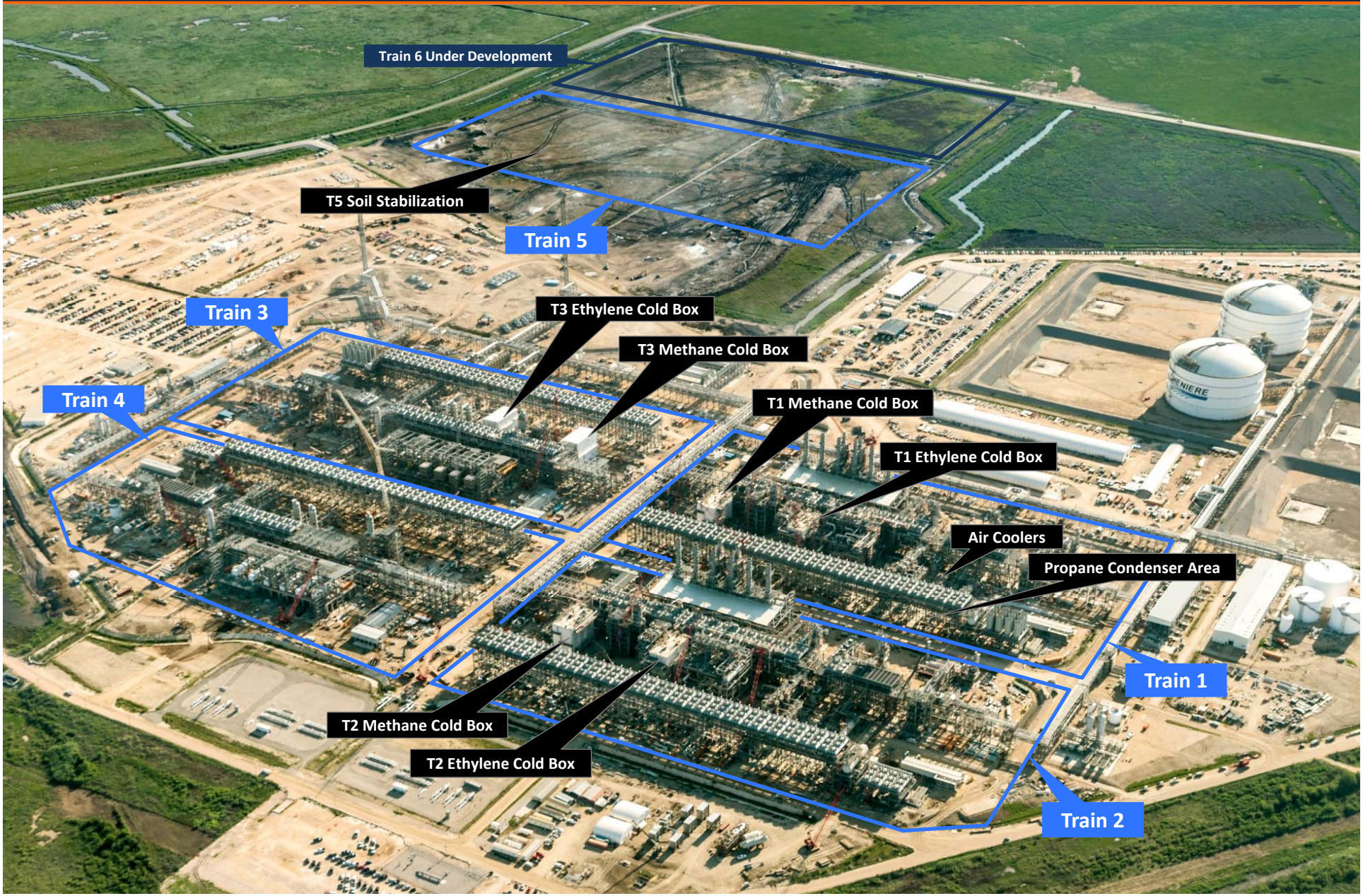
- **Cheniere LT contracts in Europe**
  - ✓16 MT/year
  - ✓5% of total European Gas Market

Key Points

The U.S. is a low-cost natural gas producer even in a depressed commodity price environment, enabling it to become a competitive global LNG supplier for decades

- **Plentiful, low-cost natural gas supply in the USA is not in question**
- **The U.S. can build LNG infrastructure cheaper than competitors and is poised to become one of the top global LNG suppliers**
- **U.S. LNG is competitive with alternative energy sources**
- **Existing regas infrastructure in Europe, but still additional investments needed**
- **Cheniere is well-positioned to supply Europe with more LNG**

Aerial View of SPL Construction – August 2015



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